



Testimony before

Subcommittee on Benefits

House Committee on Veteran's Affairs

On

H.R. 1460

Veteran's Entrepreneurship Act of 2003

And

H.R. 1716

**Veteran's Federal Procurement Opportunity
Act of 2003**

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Mr. Chairman and Members of the Subcommittee, my name is Ann Sullivan. I am pleased to appear today on behalf of Women Impacting Public Policy (WIPP). WIPP is a bipartisan organization of 430,000 women and minority business members nationwide. Thank you for inviting us to comment on H.R. 1460 and H.R. 1712.

First, let me say that WIPP applauds any legislation that establishes programs for small businesses to compete in the federal contracting arena, as is the case with the legislation the Subcommittee is considering today. We believe that the barriers to federal contracting for small businesses are great and those companies that face economic and social barriers deserve special consideration when trying to enter that arena.

But, on behalf of the women business owners WIPP represents, we say “be careful what you wish for.” We are referring to the statute, Public Law 106-554, which established a program which would allow federal contracting officers to restrict competition for any contract to women owned companies if the following conditions are met:

- (1) 51% ownership by women who are economically disadvantaged;
- (2) the contracting officer has a reasonable expectation that two or more small, women-owned companies will bid on the contract;
- (3) a contract is for procurement of goods or services is shown to be underrepresented by the SBA Administrator;
- (4) the anticipated award does not exceed \$5 million for an industrial or manufacturing code or \$3 million for any other contract;
- (5) the contract award can be made at a fair and reasonable price.

The Statute requires that a federal, state or national certifying entity approved by the Administrator must certify that the business is woman owned. In order to identify industries in which small, women-owned businesses are underrepresented in federal procurement contracting, the Statute requires the SBA Administrator to conduct a study to determine those industries.

That law was passed in the year 2000. It has yet to be implemented. Over one year ago, the SBA declared the study completed to identify industries underrepresented as unsatisfactory. Just last month, the SBA told the Small Business Committee that it intended to complete a “study to study the study” in the next seven months at the cost of \$150,000. So, we are really talking about implementation four years after passage of the law, should in fact, the study be accepted.

Mr. Chairman, the bills you are considering today would establish a much stronger program for service disabled veterans with regard to federal contracting, including sole source contracts and penalties for federal agencies failing to meet their goals than the women-owned program. If the Administration has been unwilling to implement the women-owned program, we believe it will indeed be an uphill battle not only for passage but also implementation of the law.

Our recommendation would be to not include a study in the legislation.

The government-wide woman-owned goal established in 1994 is 5%. When P.L. 106-554 was passed, 1/3 of all businesses were owned by women and forty percent were deemed able to do business with the federal government. Now, forty percent of all new businesses are owned by women and the capabilities have vastly expanded. Yet, the

federal government has never met that 5% target – the woman owned percentage is at 2.49 percent government-wide. Just recently, Women Impacting Public Policy conducted a survey of our membership, which indicated 95% of the businesses are willing and qualified to bid on federal contracts.

In closing, Women Impacting Public Policy believes it is important that all small businesses be treated equally with regard to procurement programs. We urge the Subcommittee to work with all small business groups who are seeking to increase federal procurement opportunities whether it be HubZone, Woman Owned, SBD or Veteran. We believe all of these groups should work together to increase the federal procurement dollars to small business.

Thank you.